

FACTS ON ENERSEA TECHNOLOGY

- EnerSea Transport LLC is commercializing a new marine transport technology, VOTRANS™ (Volume Optimized Transport Storage), which will allow energy producers to move up to 2 billion cubic feet (Bcf) of compressed natural gas (CNG) per ship over a wide range of distances up to 4,000 miles.
- Transported CNG can be delivered to the U.S. marketplace for much less than \$3.00 per million cubic feet (mmCF) compared with published LNG average landed costs of approximately \$3.50 per mmCF¹.
- The delivery of one vessel with a capacity of 2 Bcf using the VOTRANS™ System would provide enough electricity for approximately 47,000 households in the US for a year.
- VOTRANS™ allows the cost-effective transport of proven gas reserves that are currently stranded for economic or geographic reasons. Over 2,500 trillion cubic feet (tcf), more than half the world's proved gas reserves, is estimated to exist as stranded gas reserves².
- VOTRANS™ uses ships to carry CNG cargo packages comprised of long, large-diameter pipe structures manifolded together in tiers. In order to maintain temperature over time and distance, the pipe structures are contained within a nitrogen filled insulated "cold box."
- VOTRANS™ is a flexible technology that allows energy producers to tailor gas transportation requirements with field production profiles to optimize infrastructure investment.
- EnerSea can apply VOTRANS™ to both existing vessels known as "conversions" and "new builds." VOTRANS™ Conversion and Newbuild ships have design capacities ranging from 200 mmCF to 2 BCF.
- VOTRANS™ builds on the competitive advantages typically associated with CNG and overcomes the weaknesses of previous concepts by combining:
 - Optimal storage efficiency;
 - The ability to carry both "rich and lean gas";
 - An innovative offloading process to reduce costs and permitting issues; and
 - Market flexibility to operators.

¹ Paragon Engineering, Alan C. McClure Associates, and Groppe, Long&Littell Technical Assessment

² A Market Analysis of Natural Gas Resources: Offshore Newfoundland. ICF Consulting, December 22, 2000

- All gas conditioning (pressure and temperature) equipment can be located on the platform, at the loading terminal or on VOTRANS™ ships thus limiting dependence on an onshore facility.
- Substantially less costly process facilities offer the opportunity for more competitive transportation tariffs than LNG transporters for distances less than 4,000 miles.
- VOTRANS™ maximizes valuable gas reserves delivered to market by:
 - Reducing product loss associated with processing and transport; and
 - Converting associated gas currently being flared as a by-product of oil production or re-injected into depleting oil and gas formations to commercial PDP (proved developed producing) reserves.
- Compression required is approximately 40% less than alternative CNG transport methods, significantly less than that required for gas re-injection and less than pipelines for gas originating in deepwater environments.
- VOTRANS™ will use proven Loading systems, designed for challenging weather conditions encountered in stranded gas areas of the world.
- VOTRANS™ can be used as buffer storage coupled with an EnerSea Marine Transport Project to control the volumes and pressures of gas to be delivered to pipelines or consumers.
- VOTRANS™ storage on land, known as VOLANDS™, can also be used as daily cyclic storage with high deliverability similar to salt dome cavern storage but located convenient to major consumers (e.g. power plants). VOLANDS™ would improve reliability issues by guarding against service interruptions and reduce price volatilities by reducing the need to buy additional power in the spot market.
- Patents have been filed in the U.S. and Internationally.
- The Company plans to initiate gas transport services in 2005.



GLOSSARY OF TERMS

Aframax	Vessel Class capable of being converted to VOTRANS™ service with capacity of 200 – 500 MMcf of Compressed Natural Gas (CNG)
Bcf	Billion Cubic Feet
CAPEX	Capital Expenditure
CNG	Compressed Natural Gas
Cryogenic	Cryogenic gas processing involves the freezing of gas to convert it to a liquid state in the case of LNG down to minus170 degrees Celsius (minus 270 degrees Fahrenheit)
GTL	Gas-to-Liquids
Kwdt	Thousand dead weight tons
Lean Gas	Low degree of liquids in the gas, or dry gas
LNG	Liquefied Natural Gas
MMcf	Million Cubic Feet
MMS	Minerals Management Service
NGL	Natural Gas Liquids
Non-Cryogenic	Gas remains in gaseous phase
PSIA	Pounds per square inch absolute
Rich Gas	High degree of liquids in the gas
Suezmax	Vessel Class capable of being converted to VOTRANS service with capacity of 400 – 700 MMcf
VLCC	Vessel Class capable of being converted to VOTRANS service with capacity of 600 – 1,200 MMcf of CNG
VOLANDS™	Volume Optimized Land Storage
VOTRANS™	Volume Optimized Transport and Storage

Competitor sails in for LNG

21.09.2001

Upstart EnerSea Transport of Houston has unveiled a new compressed natural gas (CNG) marine transport technology it is touting as a more affordable alternative to liquefied natural gas as a means of supplying a power-starved domestic market with imported fuels.

The technology is being introduced at a time when gas transportation and power companies such as Williams, El Paso and Dynegy are racing to plough large amounts of cash into expansion and new construction of LNG terminals on every coast.

The EnerSea solution is targeted to start operations in 2004. It centres around the Votrans (volume optimised transport and storage) system, which acts as a sort of portable pipeline that can move up to 2 billion cubic feet of natural gas over distances up to 4000 miles.

Votrans consists of long, large diameter pipes contained within an insulated structure integrated onto a ship capable of transporting rich or lean gas.

The pipe - made of high-strength, premium grade carbon steel - is installed in a 'cold box' with an inert nitrogen atmosphere.

In the base case scenario, steel elements similar to pipeline bundle spacers hold the pipes into place. Votrans stores gas at moderate pressures and sub-zero temperatures in a non-cryogenic, dense phase.

"We've found the sweet spot between the three realms of gas properties, cargo handling and steel properties," said EnerSea managing director Paul Britton. "We've filed both US and international patents covering a complete CNG system's approach."

EnerSea claims Votrans can be used with newbuild or converted existing ships. With existing Aframax, Suezmax and VLCCs, the pipe module can be placed on the deck. The company expects converted ships could carry between 300 million cubic feet and 1 Bcf, depending on size.

Newbuild ships could be outfitted to carry up to 2 Bcf -- a volume significantly larger than any touted by proponents of Coselle CNG technology to date.

EnerSea engaged Paragon Engineering, Alan C McLure Associates, and Groppe, Long & Littell to perform respective engineering, naval architecture, and economic analyses of the system to confirm its technical viability.

Through the study results, EnerSea believes it can sell natural gas into US markets for less than \$3.00 per Mcf, which compares favourably with recent estimated LNG average landed costs.

Much of the cost savings are realised through the lack of onshore infrastructure required by the EnerSea solution. According to the company, the ships will likely offload its cargo offshore via a modified Gulf of Mexico platform.

In addition, the EnerSea solution does not require liquefaction or regassification processes. EnerSea is in the midst of preliminary design/analysis and fabrication engineering studies as well as newbuild ship design studies. Currently, the company estimates a newbuild 2 Bcf CNG ship with Votrans will cost between \$250 million and \$300 million.

FREQUENTLY ASKED QUESTIONS

How is Compressed Natural Gas (CNG) different than Liquefied Natural Gas (LNG)?

CNG maintains natural gas in a gaseous state at pressures between 1200 and 3500 psi compared to LNG, which uses a "cryogenic" process to turn natural gas into a liquid at -270°F and ambient pressure.

What is the VOTRANS™ System?

VOTRANS™ stands for Volume Optimized Transport Storage. The system is a virtual sea-going pipeline comprised of long, large-diameter pipes contained within an insulated structure integrated onto a ship. It combines optimal storage efficiency, ability to transport lean and rich gas, a new offloading process and significantly lower compression requirements to increase vessel capacity.

How is it different than the VOLANDS™ System?

VOLANDS™ is the land based application of EnerSea's marine transport system VOTRANS™, utilizing the same processes for loading, storage and discharging CNG. VOLANDS™ will be utilized in geologically constrained areas to provide high-deliverability, cyclic storage.

What are the benefits of the VOLANDS™ System?

Provides value in a broad range of customer applications such as peaking power producers that have limited pipeline or natural storage alternatives. This system also provides the ability for strategic distribution of gas storage, thus reducing price volatility and improving reliability concerns.

How much CNG can be transported through the VOTRANS™ System?

Vessel design capacities range from 200 million cubic feet (mmcf) to 2 billion cubic feet (bcf).

What does a VOTRANS™ system cost? How does it compare to other gas export alternatives?

EnerSea have developed sophisticated cost estimating routines that model the optimal vessel capacity based on distance transported and daily throughput required.

What are the flexibilities associated with the VOTRANS™ system?

VOTRANS™ flexibilities include the following:

EnerSea's transport services can be cost effectively matched with phased field production and market demand rates, resulting in:

- *Minimal upfront capital investment*
- *Access to multiple markets*
- *Risk reduction and management*
- *Optimized infrastructure investment*
- *Earlier production => accelerated cash flow*
- *Greater cash flow => increased NPV*

Additionally, VOTRANS™ can be completely independent from onshore infrastructure. All gas conditioning (pressure and temperature) equipment can be located on offshore loading terminals or on VOTRANS™ vessels, thus eliminating a link to an onshore facility.

How large is your fleet?

Even though CNG has been around since the late 60's, materials technology and innovative designs have finally provided EnerSea with the opportunity to make CNG economical. EnerSea is aggressively developing business opportunities that will result in the 1st VOTRANS™ fleet by 2005.

Are you building new vessels or retrofitting existing vessels to accommodate your technology?

EnerSea have developed flexible and scalable design solutions for both "newbuilds" and "conversions" with capacities from 200 mmcf to 2 bcf.

Who operates the fleet?

EnerSea are developing relationships with the world-leading gas ship owners and operators as well as ship builders and will be announcing partnerships in the near future.

What is stranded gas?

Stranded gas is defined in varying ways. EnerSea generally define it as gas that is either geographically constrained or volume constrained. CNG has the capability of matching fields with market demand centers that are switching to natural gas fired power generation. LNG is typically constrained by requiring high volumes (greater than 500 mmcf/d) matched with large demand centers such as the US.

What are the environmental or safety implications of such a project?

VOTRANS™ enables EnerSea to offload "non-cryogenic" gas at offshore ports, decreasing the risk to population centers. LNG shippers have experienced

restrictions in offloading at ports near major population and industrial centers, and such operations are coming under increasing scrutiny.

During the development of VOTRANS™, EnerSea also worked with two leading vessel classification societies known to be relied on by the US Coast Guard (USCG) and other governmental regulatory bodies. Both these class societies have concluded that VOTRANS™ provides no greater risk than any other existing gas ships. Given the great safety record of LNG shipping industries, EnerSea have great confidence in our ability to demonstrate the same safety and environmental record.


Additionally, minimal terminal infrastructure provides operators with security from geopolitical and external risk.

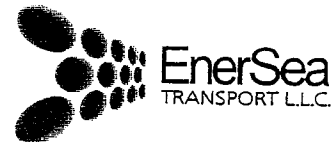
Do you have a project in place or when will you have one in place?

EnerSea is experiencing a great deal of interest from the E&P companies worldwide and with gas prices below the LNG breakeven delivered costs in most areas of the world, we expect to secure our 1st project within 2002. This will allow us to commence shipping operations in 2005.

Where in the U.S and in the world are you marketing your technology?

EnerSea have developed business partnerships in the Caribbean, Middle East, Canada, US and South America that provides the representation required to insure success. EnerSea have a great desire to help to reduce the US' dependence on Middle East gas supplies and to bring gas into the US from its closest neighbors, such as Canada and Mexico and from South America.





ABOUT ENERSEA TRANSPORT

About EnerSea Transport L.L.C. and Its Leaders

Based in Houston, Texas, EnerSea Transport LLC is the world's first company to provide a cost effective, optimal compressed natural gas marine transport and storage system, VOTRANS™ (Volume-Optimized Transport System). EnerSea combines innovative technology, expertise from all segments of the oil and gas industry, with natural gas trading, financial, and investment experience to deliver transportation service or gas contracting models.

VOTRANS™ is a virtual sea-going pipeline comprised of long, large-diameter pipes contained within an insulated structure onto a ship. The technology provides the capability of moving up to two billion cubic feet (bcf) of gas per ship, over distances of 4,000 miles at significantly lower cost than other gas export alternatives such as liquefied natural gas (LNG).

Over the past 2 years, the EnerSea team has developed the technology and built strategic partnerships worldwide to market transportation services utilizing this revolutionary technology. EnerSea has the capability and experience to offer vertically integrated service, which may include execution of gas purchase contracts or transportation services.

EnerSea's principals have extensive experience with marine systems, naval architecture, frontier pipeline and technology development, natural gas storage, energy trading and finance. Together, they have founded and built profitable energy and logistics businesses with more than \$1 billion in annual sales.

PAUL BRITTON, P.E.

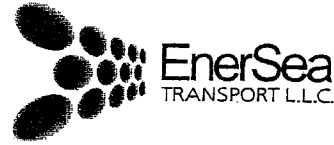
Paul Britton, Managing Director is responsible for strategy and business development. Paul comes to EnerSea with over 15 years of experience in the oil and gas world including Conoco, INTEC and APL & Schlumberger.

In addition to his corporate duties, Paul is an active supporter of the Society of Petroleum Engineers in the Houston area.

CHARLES WHITE, P.E.

With 25 years worth of expertise, Charles White acts as Vice President of Technology at EnerSea. Charles focuses on VOTRANS™ technology development, naval architecture, marine operations and overall project management. His experience comes specifically from working at the American Bureau of Shipping (ABS), Conoco and Statoil.

Charles has also held several prominent positions including Regional Chairman of the Society of Naval Architects in Texas and leadership roles on multiple international and American Petroleum Institute Technology Taskforces.



PRESS RELEASE

For Immediate Release

Contact: Paul S. Britton
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ENERSEA TRANSPORT COMMERCIALIZES INNOVATIVE COMPRESSED NATURAL GAS ABOVE GROUND STORAGE

HOUSTON (February 6, 2002) – EnerSea Transport L.L.C. announced plans today to commercialize VOLANDS™, an innovative compressed natural gas land storage technology. This new, dynamic storage alternative being presented at "Ziff's Gas Storage Conference" on Thursday, February 7, 2002, provides high deliverability, cyclic storage similar to salt cavern storage for geologically constrained areas in the Northeast, Northwest, mid- and south Atlantic and Western United States. The VOLANDS™ presentation will be available on EnerSea's website Friday, February 8th.

VOLANDS™, which stands for "Volume Optimized Land Storage," is a virtual small-volume salt dome comprised of long, large-diameter pipes housed within an insulated structure. This system evolved from EnerSea's patented marine transport technology, VOTRANS™ (Volume Optimized Transport Storage), which the company will use to monetize stranded natural gas reserves worldwide.

"Gas storage is critical for balancing supply and demand for major industrial consumers and will augment pipeline capacity. VOLANDS™ will provide flexibility by providing storage capacity for clients not fortunate enough to be located near natural cavern storage. At a time where constant natural gas supply is critical to power plant profitability, we see an exciting opportunity in the market for VOLANDS™," said Paul Britton, Managing Director.

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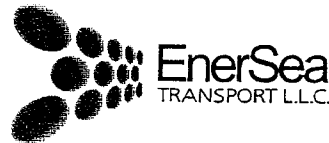
"EnerSea is currently performing an engineering study for the first VOLANDS™ application, which demonstrates the immediate need and market for this storage technology," added Britton.

VOLANDS™ will provide value to a broad range of customers that have limited pipeline or natural storage alternatives, such as peaking power producers. The facility can be customized with capacity ranging from 20 million cubic feet (Mmcf) to 1 billion cubic feet (Bcf) and deliverability of 5 to 500 Mmcf per day.

This on-site, on-demand storage capacity aligns the user's daily injection and withdrawal rates, matching hourly load requirements and augmenting firm pipeline transportation capacity. It also provides arbitrage opportunities during periods of low peaking use and offers periodic storage for upset conditions, avoiding the penalty of re-selling nominated gas. Additionally, VOLANDS™ will reduce price volatility and reliability concerns.

EnerSea Transport L.L.C. is dedicated to providing the highest quality transportation and storage service using proprietary VOTRANS™ and VOLANDS™, the next generation of compressed natural gas technology. EnerSea provides a total delivery solution for transporting remote gas supplies to energy-hungry markets. Details and contact information about Houston-based EnerSea Transport can be found at www.enerseatransport.com.

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PRESS RELEASE

For Immediate Release

Contact: Paul S. Britton
713.963.9333

ENERSEA TRANSPORT COMMERCIALIZES INNOVATIVE COMPRESSED NATURAL GAS MARINE TRANSPORT TECHNOLOGY

Houston, Texas (September 19, 2001) - EnerSea Transport, L.L.C. announced plans today for commercializing VOTRANS™, a new compressed natural gas (CNG) marine transport technology. This technology provides the capability of moving up to 2 billion cubic feet of CNG per ship, over distances up to 4,000 miles at significantly lower total costs than liquefied natural gas (LNG).

VOTRANS™ (Volume Optimized Transport and Storage) is a virtual sea-going pipeline comprised of long, large-diameter pipes contained within an insulated structure integrated onto a ship. VOTRANS™ improves on previous CNG concepts by combining optimal storage efficiency, the ability to transport both lean and rich gas, an innovative offloading process and significantly lower (~40%) compression requirements to increase vessel capacities and reduce costs.

Independent engineering, naval architecture, and economic analyses performed to date by Paragon Engineering, Alan C. McLure Associates, and Groppe, Long & Littell confirm technical viability and indicate that EnerSea could sell natural gas into U.S. markets for substantially less than \$3.00 per thousand cubic feet (Mcf). This price compares favorably with published LNG average landed costs of approximately \$3.50/Mcf.

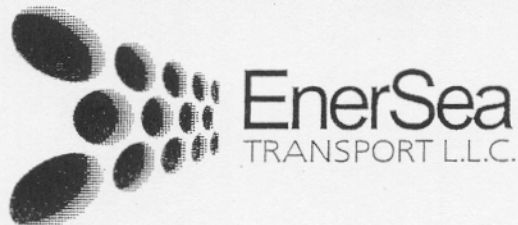
VOTRANS™ has numerous competitive advantages over LNG. Total capital costs for VOTRANS™ are less than LNG. Additionally, VOTRANS™ terminal facilities make up less than 15% of its total capital cost, compared with more than 60% for LNG, making VOTRANS™ a more flexible and easily re-deployable capital asset. Finally, VOTRANS™ minimizes gas losses during processing and transportation to less than 7%, while losses for LNG can approach 20%. These advantages will provide producers with higher netbacks through cost savings and the ability to access multiple markets.

"Natural gas markets throughout the world are experiencing record demand," says Paul Britton, EnerSea managing director. "In the U.S. alone, consumption is expected to approach 30 trillion cubic feet per annum by 2010, a substantial portion of which is predicted to be met by foreign LNG imports. VOTRANS™ could provide a domestic alternative by delivering Alaskan or deepwater Gulf of Mexico gas more cheaply than proposed pipelines. Because VOTRANS™ is effectively a portable pipeline, it can also competitively deliver stranded gas reserves to worldwide markets with increasing natural gas demand."

Britton noted that EnerSea has an aggressive development and construction schedule that will allow EnerSea to initiate gas transportation and sales by 2004.

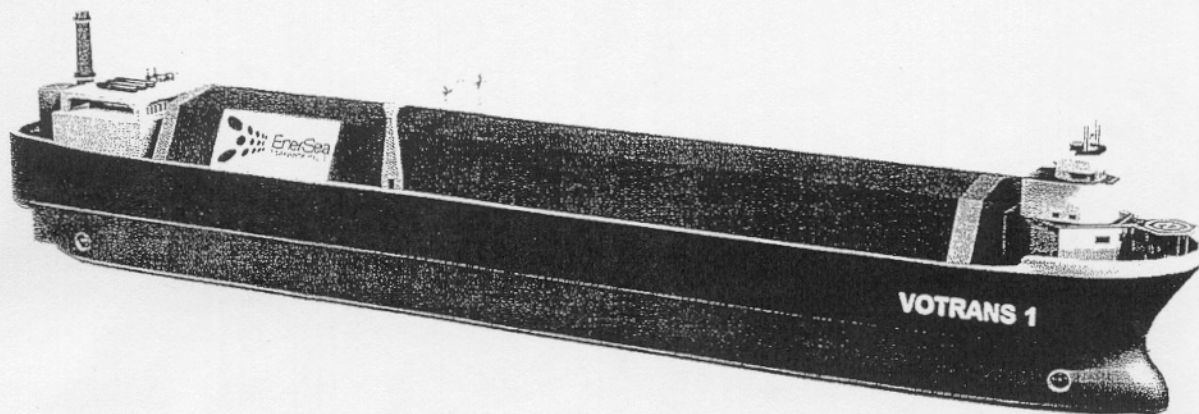
Details and contact information about Houston-based EnerSea Transport, L.L.C. can be found on www.EnerSeaTransport.com.

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VOTRANS™ CNG

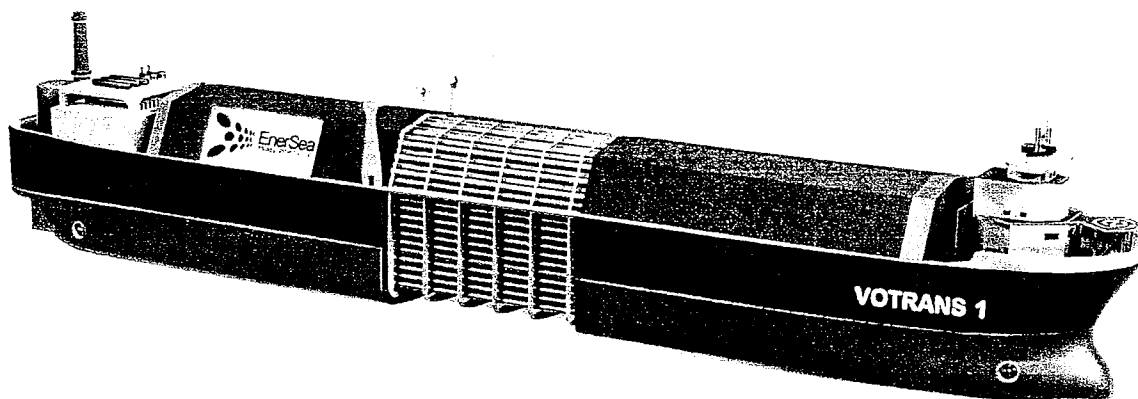
Volume Optimized Marine Transport
and Storage Solution



VOTRANS™ is a breakthrough in
compressed natural gas transport
technology that provides a *clearly
superior* alternative to LNG & GTL in
most applications

VOTRANS™

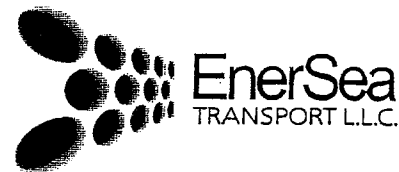
FIELD DEVELOPMENT FLEXIBILITY



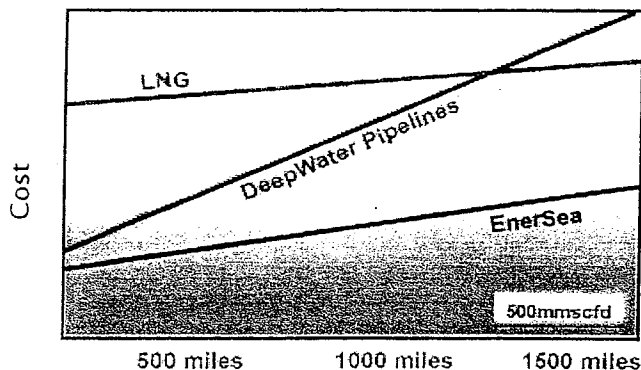
- Lowest cost transportation service
- Vessel capacity range: 200 – 2,000 mmcf
(6 – 60 million m³)
- Monetize associated and free gas reserves
- Onshore and offshore storage solutions
- Offshore loading and unloading options
- Field NGL separation not required
- Transport Rich or Lean Gas
- Viable in deepwater/harsh environment

UNLOCKS THE VALUE . . .

ADVANTAGE

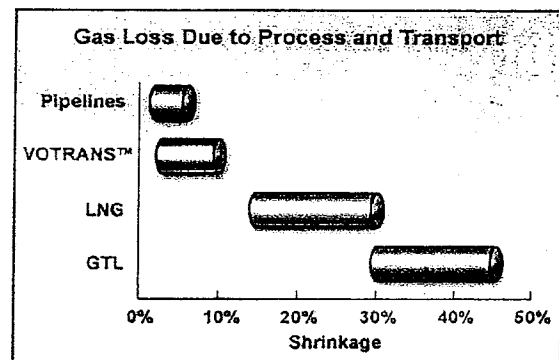


VOTRANS™ vs. LNG & GTL



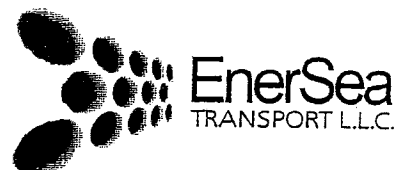
- Lower capital & operating costs
- Lower tariff yields higher netbacks
- Access markets up to 6000 kms away
- Greater flexibility for development & marketing

- More resource preserved and delivered to market
- Independence from onshore facilities
- Shorter project schedule
- Re-deployable infrastructure



... OF YOUR REMOTE GAS ASSETS

VOTRANS™



Business & Project Development

Milestones

Agree transport or sale contracts in principle
Complete preliminary engineering
Regulatory (Approval in Principle)
Finalize transport contracts
Finalize project financing
Project phase
Commence operations



Gas transported 24 months
after project sanction



Concept Engineering: *Paragon Engineering Services*
Naval Architecture: *Alan C McClure Associates*
Class and Safety: *ABS and DnV*

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